

ARTICLE APPEARED
ON PAGE **D-1**WASHINGTON POST
10 July 1985

Biotech Export Curbs Eyed

U.S. Seeks to Prevent Use by Soviets in Biological Warfare

By Michael Schrage
and Nell Henderson
Washington Post Staff Writers

The Reagan administration is moving to restrict biotechnology exports to prevent them from reaching the Soviet bloc, where administration officials say they could be used for biological warfare.

According to a Pentagon official, the United States this fall will recommend placing key biotechnologies on a special "watch" list of strategic technologies to be monitored by Cocom, the Coordinating Committee for Multilateral Export Controls, a step that could lead to an agreement by the United States and its allies to impose trade restrictions.

Meanwhile, the Commerce Department is drafting new U.S. export regulations that would limit the flow of biotechnologies to Eastern bloc nations and perhaps even to Europe and Japan as well. Commerce officials said the action was part of their normal review of sensitive exports.

Cocom, which includes the United States, Japan and the NATO allies minus Spain and Iceland, is the multinational group that determines what technologies are strategically vital and should be denied to the Soviet Union and Warsaw Pact nations. The countries then must unanimously agree to special export restrictions on those technologies.

"For the first time, biotechnology will be one of the topics at Cocom this fall," said Stephen D. Bryen, deputy assistant secretary of Defense for international, economic

and trade security policy. Cocom monitors export licenses for items on the "watch" list in an attempt to determine their trading patterns and destinations. Bryen said inclusion of a product on the watch list is a step before formal controls.

Defense officials have publicly expressed fears that the Soviets could use state-of-the-art genetic engineering techniques, cell fusion methods and fermentation processes to develop a new generation of biological weaponry. Viruses, bacteria, living cells and other biological materials could be designed to create diseases that could destroy human, plant and animal life.

The Reagan administration has accused the Soviet Union of violating the 1972 Biological Weapons Convention by using lethal mycotoxins—biological poisons—in its war in Afghanistan.

The Pentagon wants to ensure that U.S. biotech companies, as well as their European and Japanese counterparts, do not supply the Soviet Union with the tools to advance its biological warfare research, officials said.

However, Bryen said the Pentagon still is determining what biotechnologies merit special export control. The classified Militarily Critical Technologies List (MCTL) currently restricts several broad groups of biotechnology products and processes. The Pentagon hopes to have a better grasp by the fall meeting of which specific biotechnologies should be added to the list.

Current Commerce restrictions on biological substances are decades old, and have been outdated by recent advances in genetic engineering, industry officials say. "The present rules governing microorganisms really don't reflect the nature of biotechnology," said Joseph G. Perpich, a vice president of Meloy Laboratories Inc., based in Springfield, Va.

The rules now require companies to obtain export licenses for broad classes of microorganisms and organic chemicals. Bruce F. Mackler, general counsel of the Association of Biotechnology Companies, complained that Commerce processes export licenses on a "cumbersome" case-by-case basis and often lacks

the technical expertise to evaluate them.

The Commerce Department is upgrading its biotechnology resources with the assistance of a scientist from the National Institutes of Health and an industry advisory committee to provide technical expertise in drafting new rules. However, it has taken nearly two years to put the advisory group together.

U.S. biotech companies believe their involvement is important because they fear that federal regulators do not understand the new technology and could draw up export restrictions that would hurt American competitiveness in Western markets.

"Unless they really understand what they're restricting, the restrictions will be applied with such a broad brush that they will hurt

American industry and the growth of the international industry. We are not a traditional industry," Mackler said.

The problem underscores the dilemma policy makers face in balancing national security concerns with the commercial aspirations of a growing industry. The biotech industry's concerns echo those of the fast-paced electronics industry. Trade associations and corporations in the computer and semiconductor industries have complained bitterly that strategic export controls intended to prevent Soviet access to U.S. technology have delayed or even blocked sales to Europe and Japan. They also argue that much of the restricted technology is readily available to the Soviet Union from Japanese and Western European sources.